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UNO'S SUCCESS DEPENDS ON PROMPT PEACE SETTLEMENT

THE announcement on December 7 that the Foreign Secretaries of the United States, Britain and the U.S.S.R. would meet in Moscow on December 15 for the exchange of views on atomic energy and other international issues of concern to the Big Three is the first official indication that an effort will be made to break the deadlock produced by the Council of Foreign Ministers in London. When President Truman, on November 29, said at a press conference that there would be no further Big Three meetings, he presumably meant that he anticipated no conferences in the near future between heads of states, such as had been held during the war at Teheran, Cairo, Yalta and Potsdam. This seems to be a wise decision, for while the world is still in a state of grave emergency which requires the constant attention of heads of states, frequent conferences between them have a distinct disadvantage. The public, in each country, expects dramatic actions on the part of presidents and prime ministers who, knowing that they must reach some kind of agreement or else suffer public obloquy, find themselves under dangerous pressure to arrive at compromises which all too often are inadequately considered, and ambiguously drafted so as to avoid splits between the conferees on fundamental issues.

UNO CANNOT MAKE PEACE TERMS. At the same time, President Truman, by adding that in ninety days the United Nations Organization should be able to tackle the problems now outstanding between the Big Three, created the misleading impression that he expected the UNO to undertake the task of drafting the peace settlement for Europe which, seven months after V-E Day, still remains to be done. The Allied statesmen had never intended to saddle the UNO with the task of peace-making. On the contrary, it had been definitely decided not to follow the example of the Paris Peace Conference, which had

tried both to make the peace and to build the League of Nations, with the result that the League Covenant, having been made an integral part of the peace treaties, dwindled in public esteem as the peace treaties came into disrepute both in the victorious and the defeated nations. It was intended, this time, to let the UNO start with a clean slate, free from such onus as might eventually attach to the peace terms imposed on Germany, Italy and Japan. The victors, therefore, are not in a position to shuffle off the burdens of peacemaking on to the UNO, which is now organizing itself in London, with the hope that it may start to function there in January.

There is no reason, however, why the admittedly arduous work of clearing the ground for an agreement between the Big Three concerning the terms of the peace settlement in Europe should not be carried on by their Foreign Ministers and regularly accredited diplomatic representatives. In fact, it can hardly be expected that Foreign Ministers and diplomats will be able to perform their appointed tasks effectively if they always face the possibility that their painstaking efforts will be disregarded or repudiated by their respective heads of states at intimate conferences from which experts have all too often been excluded. At the Yalta Conference President Roosevelt, Prime Minister Churchill and Marshal Stalin agreed that "permanent machinery should be set up for regular consultation between the three Foreign Secretaries." The Yalta agreement provided that the Foreign Secretaries would "meet as often as may be necessary, probably about every three or four months." These meetings were to be held in rotation in the three capitals, the first being planned for London, where a meeting was held in September.

PEACE COUNCIL OF THREE—OR FIVE? But this first meeting was transformed into a Council of Foreign Ministers, representatives of France and

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China being added to the Big Three. This Council (as distinguished from the regular consultation between the Foreign Ministers of the Big Three provided for at Yalta), was established by the Potsdam Declaration which stated that the Council of Foreign Ministers, "representing the five principal powers," was to continue "the necessary preparatory work for the peace settlements"—presumably both in Europe and Asia. This Council was "normally" to meet in London, which was to be the seat of its Joint Secretariat. The first task of this Council was to draw up "with a view to their submission to the United Nations," treaties of peace with Italy, Rumania, Hungary, Bulgaria, and Finland. The Council was also to be "utilized" for the preparation of a peace settlement for Germany "to be accepted by the government of Germany when a government adequate for the purpose is established." The Potsdam Declaration, however, further stated that, "for the discharge of each of these tasks the Council will be composed of the members representing those states which were signatory to the terms of surrender imposed upon the enemy state concerned." For the purpose of the peace settlement for Italy, France was to be regarded as a signatory to the terms of surrender, but in the case of Rumania, Hungary and Bulgaria it would seem that the United States, Britain and Russia, and in the case of Finland, Britain and Russia only, should have been in consultation, without the participation of France and China. It was on this question of procedure that the Council of Foreign Ministers finally foundered. The most practical procedure for the Big Three, now that they have resumed the pattern set at Yalta, would be to reach agreement with each other

on as many points at issue as possible, and then submit their decisions for scrutiny and discussion by a peace conference to which all nations which contributed to the winning of the war in Europe would be invited—as, indeed, was envisaged in the Potsdam Declaration.

Actually, during the dark weeks that have elapsed since the breakdown of the London Council of Foreign Ministers, considerable work has quietly been done by the Foreign Offices and accredited diplomatic representatives of the Big Three—work which, if undertaken in time, might have averted the London stalemate. Meanwhile, however, a tendency has developed to use the atom bomb as a justification for thoroughgoing revision of the machinery established at San Francisco before it has even had an opportunity to get started. It has been obvious for years that international organization could not function effectively if each member nation continued to insist on untrammelled exercise of its sovereignty. But the contention now advanced in some quarters that world government, which obviously will not be achieved overnight, is the only alternative to destruction of the world by the atom bomb tends to obscure the fundamental issue at stake. Even the most ingenious control by a world government of the atom bomb, and of other weapons already known or yet to be invented, will not of itself solve the difficulties between nations that lead to wars. The international machinery now in existence, with all its faults and weaknesses, would serve our purpose for the time being if we are really determined to coordinate our national needs with the interests of the international community.

VERA MICHELES DEAN

U.S. LOAN TO BRITAIN AVERTS WORLD ECONOMIC CLEAVAGE

After recurring rumors of a breakdown in Anglo-American economic discussions, the successful conclusion of the Washington negotiations that lasted three months is an encouraging move toward world stabilization. The very magnitude of the agreement concluded on December 6 is significant in view of the difficulties that have attended other international meetings since the end of the war. The agreement, which is subject to ratification by the American Congress and the British Parliament, establishes a basis for cooperation between the world's two most important commercial nations, and prepares the groundwork for more general international action in the field of trade. Parliament is being asked at the same time to adhere to the Bretton Woods plans for the International Fund and Development Bank. Although the Fund has had many opponents in Britain, it now appears possible also that the Bretton Woods financial agencies will be accepted in view of the aid offered to Britain by the new loan. Russia's adherence to the Bank and Fund is also needed before the

end of the year, and it is hoped that the U.S.S.R., which originally favored the plans more than Britain, will now accept them.

ANGLO-AMERICAN AGREEMENT. In one stride three encouraging steps have been taken under the new Anglo-American agreement. First, in contrast to the situation following World War I, no serious controversy will now arise among the Allies with respect to war debts if the Anglo-American settlement of lend-lease and mutual aid proves a precedent for other countries coming under that program. Second, the loan which has been arranged to aid Britain's foreign economic recovery attests to the ability of the two countries to continue their wartime cooperation in a field where differences between them are most likely to occur. Third, the agreement also proposes that a world trade conference be convened next summer to consider the adoption of liberal rules for foreign trading, the abandonment of all but a minimum of restrictive commercial practices, and the creation of a World Trade Organiza-

tion. This new body is to be attached to the Economic and Social Council of the United Nations Organization, thus giving added hope that the UNO will be fortified by collective action on economic problems.

Under the terms of the agreement the United States will extend to Britain a "line of credit" amounting to \$3,750,000,000 and, in addition to liquidating lend-lease obligations amounting to \$25,000,000,000, a loan of \$650,000,000 will be granted for settling remaining lend-lease claims owed to the United States. Whether or not the total amount of the three and three-quarters billion is taken up within five years, repayment to extend over fifty years will then begin. Because of technical provisions, the two per cent interest charges will be reduced to a somewhat lower figure. Britain may also waive the payment of interest charges, but not the periodic amount due on principal, during those years when its international payments are seriously unbalanced.

BARGAIN FOR BOTH PARTIES. This bargain, as in any contractual arrangement, represents a compromise of original objectives, but legal "consideration" or benefits have been secured by both parties. In the lend-lease settlement both nations have profited on the terms of that original arrangement. The United States, which undertook the program for its national defense, has already reaped much of that reward in the successful conclusion of the war. Both nations, in accordance with Article VII of the Master Lend-Lease Agreement, have now avoided any future debt conflict like that which impeded international financial and economic cooperation during a considerable part of the inter-war period. In the future the benefits to be derived from the absence of any such conflict—although they may soon be forgotten—will perhaps outweigh the importance of the strictly monetary features of the new loan.

With the credit now to be made available, Britain may more quickly recoup its vital foreign trade with-

out recourse to further excessive extension of state controls over exports and imports. Its foreign exchange difficulties will be lessened, and sterling will once more become a freer currency. The agreement also binds Britain to adjust some of its external financial obligations by allowing the conversion of sterling funds now blocked in London, like those owed to India, so that such countries may use them for purchases elsewhere than in Britain. For the United States the loan represents not only a sound commercial investment. In terms of the whole agreement we recognize our position as a full-fledged creditor nation. This is evident both in the solution of the lend-lease debt and in our commitment to pursue further tariff reductions. At the same time we have obtained the binding agreement of Britain to reduce its financial restrictions within the sterling area and work toward the lowering of commercial barriers within the British preferential trading system.

WORLD TRADE "CHARTER." These commitments, which go beyond the immediate loan provisions, and the plans for calling a world trade meeting could only have come about if Britain were assured some relief from its present economic crisis. Temporarily, the bargain will appear to be a very hard one for Britain, which originally hoped for an outright grant. But if the major industrial nations can launch their future trade on healthy terms, then there is real hope that international trade as a whole may be expanded. Needless to say, the necessity for world trade expansion still remains paramount, despite the United States aid to Britain foreshadowed under the new agreement. Recent revision of estimates raises the volume of export increase Britain must undertake from 50 per cent to 75 per cent above pre-war levels. In view of the American drive to secure export markets, it is obvious that the United Nations will prosper only by substantially increasing total trade. In competing for the increased trade, however, serious tensions were bound to occur between this country and Britain. Now the two nations have agreed, not only on the touchy subject of the loan itself, but on the necessity of reducing tariffs and other barriers to trade, and the future regulation of cartels and commodity agreements. Other countries can now hope to adjust their relations with these two great trading nations free from the threatening prospect, which might otherwise have arisen, of having to choose sides with either the sterling or the dollar bloc.

GRANT S. McCLELLAN

Just published—

A NEW BRITAIN UNDER LABOR?

by Grant S. McClellan

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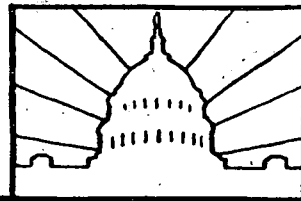
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Washington News Letter



TREND TOWARD INTERVENTION MIRRORS EXPANDING U.S. INTERESTS

During the past twelve months the United States has increasingly resorted to intervention in the affairs of other nations—a policy it had previously tried to avoid outside the Western Hemisphere. As a result of developments in China and in the Balkans, the United States now practices intervention in all parts of the world where national interests are deemed to require special protection. The first meeting of the United Nations Assembly and the Big Three conference in Moscow will give this country opportunities to systematize our intervention so that it may serve constructive purposes, and not cause damage to world peace.

SAD WESTERN HEMISPHERE EXPERIENCE.

The growing pressure for a policy of intervention is one of the many strong forces now hammering at the concept of unlimited national sovereignty whose modification in a slight respect the Senate accepted on December 4 when it approved, 65 to 7, legislation permitting the President to make armed forces available to the United Nations Organization Security Council without Congressional authorization. The United Nations Charter itself in Article 34 limits the sovereignty concept by granting the Security Council the right to investigate "any dispute or any situation which may lead to international friction or give rise to a dispute, in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security."

Experience with previous interventions has shown the United States the shortcomings of lone-hand action, especially in our relations with other American republics. Although the series of Latin American interventions undertaken by the United States during the twentieth century undoubtedly brought material benefits to the Dominican Republic, Haiti, Cuba and Nicaragua, all the nations to the south of us came to resent this country's interference in their affairs. The threat to inter-American solidarity created by that resentment has prevented the United States from openly intervening since 1934, even in the case of Argentina, whose domestic and foreign policies are at the present time regarded by the Administration as hostile to our interests.

INTERVENTION IN CHINA. In spite of our none too happy Latin American experience, the United States has recently intervened unilaterally in China's internal affairs by giving military assistance

to the Chinese national government which strengthened it in the desultory civil war it is waging with armed Communist factions. On December 7 Secretary of State James F. Byrnes announced modification of our intervention policy in Asia, which up to that time had made no distinction between the recognized government of Chiang Kai-shek and China as a nation. That government, Mr. Byrnes said, "must be broadened to include the representatives of those large and well-organized groups who are now without any voice in the government of China." The United States, however, has not abandoned its intervention in China, officially justified on the ground that the presence of American forces is necessary to effect the surrender of the Japanese. By contrast, in Iran, in whose affairs Russia is accused of intervening, the United States has proposed the withdrawal of all Big Three military forces by January 1 and an international agreement on nonintervention.

AGREEMENTS FOR COLLECTIVE INTERVENTION. At the same time the United States has hesitated to use existing instruments for collective intervention, such as the one agreed on at the Mexico City Conference of 1945 for the Western Hemisphere, which has never been invoked. While honored more in the breach than in the observance, the principle of joint intervention to preserve the peace appears to have found general acceptance among nations and, with the publication of Uruguay's note of November 22 on this subject, has been given a fresh interpretation. The note suggests the need for an agreement among the American Republics enabling them to take steps against a régime that persistently violates the essential rights of its citizens, on the ground that such conduct "sooner or later produces grave international repercussions." The proposal was unquestionably motivated by fear of Uruguay's big neighbor, Argentina, and at once received the "unqualified adherence" of the United States. Mutual suspicion and fear of its possible misuse to the advantage of this country, however, may impede ready acceptance of the Uruguayan proposal by the Latin American nations. Moreover, as in the case of the Chapultepec agreement, the question arises as to how machinery for intervention in the Western Hemisphere can be harmonized with obligations undertaken by the United Nations under the San Francisco Charter.

BLAIR BOLLES